

KZN235

OKHAHLAMBA

LOCAL

MUNICIPALITY

2017/2018

FINAL BUDGET



**Okhahlamba Local Municipality**

**259 Kingsway Street**

**Bergville 3350**

**Tel Number: +27 36 448 8000**

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## INTRODUCTION

Section 24(1) of the Local Government Municipal Finance Management Act No. 56 of 2003 (MFMA) states that, the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget

Section 24(2) further states that, an annual budget:

- (a) must be approved before the start of the budget year;
- (b) is approved by the adoption by the council of a resolution referred to in section 17(3)(a)(i); and
- (c) must be approved together with the adoption of resolutions as may be necessary-
  - (i) imposing any municipal tax for the budget year;
  - (ii) setting any municipal tariffs for the budget year;
  - (iii) approving measurable performance objectives for revenue from each source and for each vote in the budget;
  - (iv) approving any changes to the municipality's integrated development Plan and
  - (v) approving any changes to the municipality's budget-related policies.

Section 24(3) states that, the accounting officer of a municipality must submit the approved annual budget to the National Treasury and the relevant provincial treasury.

Regulation 9 of the Municipal Budget and Reporting Regulations (MBRR) further prescribes that the annual budget and supporting documentation of a municipality must be in the format specified in Schedule A and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of Section 168 (1) of the act.

## **MAYOR'S REPORT**

### **MAYORAL 2017/2018 ANNUAL BUDGET SPEECH**

Honourable Speaker, Cllr. S. A. Zulu

Deputy Mayor of Okhahlamba Municipality Cllr. T. G. Ngozo

Members of the Council of Okhahlamba

Councillors present

Officials and all protocol observed

Greetings to all

Chairperson, Mr Speaker, I would like to greet you and all members of the council and officials, and I hereby present Annual Budget for 2017/2018 financial year as outlined in the Municipal Finance Management Act. (MFMA, Section 24 (1) of MFMA in relation to the approval of Annual Budget.

I would like to highlight the following items:

#### **Revenue:**

	<b>2017/18 Medium Term Revenue &amp; Expenditure Framework</b>		
	<b>Budget Year</b>	<b>Budget Year</b>	<b>Budget Year</b>
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Operating Revenue	171 039 000	161 000 000	168 926 000

#### **Expenditure:**

	<b>2017/18 Medium Term Revenue &amp; Expenditure Framework</b>		
	<b>Budget Year</b>	<b>Budget Year</b>	<b>Budget Year</b>
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Operating Expenditure	170 406 000	184 392 000	197 273 000
Capital Expenditure	75 906 000	30 214 000	31 767 000
Total Expenditure	246 312 000	214 606 000	229 040 000

## SERVICE DELIVERY OBJECTIVES

Section 152(1) (b) of the Constitution stipulates the objectives of Local Government, which is to ensure the provision of services to communities in a sustainable manner.

Section 153(a) of the Constitution further states that a Municipality must structure and manage its administration and budgeting and planning processes to give priority to basic needs of the community, and to promote the social and economic development of the community.

In order to fulfil the objective section 152 of the Constitution, Okhahlamba Municipality has provided a budget relating to Free Basic Services below:

	<b>2017/18 Medium Term Revenue &amp; Expenditure Framework</b>		
	<b>Budget Year</b>	<b>Budget Year</b>	<b>Budget Year</b>
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Service charges: Refuse	584 000	625 000	668 000
Free Basic Electricity	3 013 000	2 682 000	2 842 000

The solid waste is after the Khethani township rebates, since these households are considered indigent. Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. Okhahlamba will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models.

Free Basic Electricity is offered to households who are considered to be indigent and are included in the Indigent register which is updated regularly as per the Municipal Indigent Policy

South Africa has an unemployment rate of 26.5 (January 2017), this calls for significant economic transformation to eradicate poverty, the Municipality has budgeted an amount of R 6.7 Million for SMME and Co-operatives and R 800 000 for Job Creation initiatives. This has been supported by increased Expanded Public Works Programme allocation amounting to R

3.9 Million. The Municipal Supply Chain Management Policy has been reviewed to include Local Economic Developments measures.

### **LINKAGES BETWEEN ANNUAL BUDGET AND IDP**

Honourable Speaker and Councillors, this report reflects the wishes and aspirations of the people of Okhahlamba and it is aligned with the priorities set by Treasury (circular 66 & 67) and it is in line with the Okhahlamba SDBIP and IDP priorities which according to my administration's point of view should be implemented at a Local Level after considering the needs of the Community and consultation with Uthukela District Municipality.

### **INFRASTRUCTURE DEVELOPMENT OBJECTIVES**

The Okhahlamba Municipality has infrastructure backlogs, in addressing the problem the Municipality has allocated R 28 742 000.00 for Infrastructure development which will be funded through Municipal Infrastructure Grant.

I would like to grant council members a chance to look into the content and more details are contained in the attached reports.

As I conclude I would like council members to have in mind the need to provide quality services to our community when considering the draft budget, I thank you for this wonderful opportunity granted to me to present this report to the Council of Okhahlamba.

I thank you.

### **RESOLUTION**

On the 31st of May 2017 the Council of Okhahlamba Local Municipality met in the Council Chambers of Okhahlamba Municipality to consider the 2017/2018 final budget. The council approved and adopted the following resolutions:

2.1. The Council of Okhahlamba Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act (Act 56 of 2003) approves and adopt:

- 2017/2018 final budget
- 2017/2018 budget related policies
- Commitment to raise R 20 000 000 loan to purchase plant and machinery

## **EXECUTIVE SUMMARY**

The application of sound financial management principles for the compilation of the Okhahlamba financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Okhahlamba business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

Before we focus on the budget, information relating to councillors, executive committee and Management Committee is provided below:

### **EXECUTIVE COMMITTEE**

<b>DESIGNATION</b>	<b>SURNAME &amp; INITIALS</b>	<b>PORTFOLIO COUNCILOR</b>
Mayor	Cllr. M. G. Ndlangisa	Finance Portfolio
Deputy Mayor	Cllr. T. G. Ngozo	Infrastructure Portfolio
Executive Committee Member	Cllr. K. I. Hadebe	Corporate Portfolio
Executive Committee Member	Cllr. T. A. Sigubudu	Social Portfolio
Executive Committee Member	Cllr. B. M. Dlamini	Social Portfolio

**COUNCIL**

<b>DESIGNATION</b>	<b>SURNAME &amp; INITIALS</b>
Councillor	Cllr. E. N. N. Bengu
Councillor	Cllr. M. J. Hadebe
Councillor	Cllr. M. H. Msimanga
Councillor	Cllr. Z. S. Khoza
Councillor	Cllr. S. R. Mlambo
Councillor	Cllr. S. A. Zulu
Councillor	Cllr. K. S. Dladla
Councillor	Cllr. T. G. Ngozo
Councillor	Cllr. K. I. Hadebe
Councillor	Cllr. M. P. Vilakazi
Councillor	Cllr. P.P. Sigubudu
Councillor	Cllr. M. M. S. Vilakazi
Councillor	Cllr. K. Simelane
Councillor	Cllr. P. A. M. Mfuphi
Councillor	Cllr. T. A. Sigudundu
Councillor	Cllr. B. P. Mkhize
Councillor	Cllr. M. G. Ndlangisa



Councillor	Cllr. B. M. Dlamini
Councillor	Cllr. M. I. Dlamini
Councillor	Cllr. S. Ndimande
Councillor	Cllr. T. D. J. Van Rensburg
<b>DESIGNATION</b>	<b>SURNAME &amp; INITIALS</b>
Councillor	Cllr. I. M. Buthelezi
Councillor	Cllr. K. Langa
Councillor	Cllr. S. M. Hlongwane
Councillor	Cllr. S. M. Buthelezi
Councillor	Cllr. J. E. Nqubuka
Councillor	Cllr. N. A. Mdakane
Councillor	Cllr. F. E. Buthelezi
Councillor	Cllr. S. C. Hadebe

#### **MANAGEMENT COMMITTEE MEMBERS**

<b>DESIGNATION</b>	<b>SURNAME &amp; INITIALS</b>
Municipal Manager	S. D. Sibande
Chief Financial Officer	S. B. Ndabandaba
Director: Technical Services	S. N. Malinga
Director: Social	T. P. Mazibuko
Director: Corporate	G. M. Mohlokoana
Senior Legal Advisor	Z. H. Motola
Executive Manager: Compliance And Risk Management	Y. Joyi

Manager: Office of the Mayor	Vacant
Project Manager	B. X. S. Ndlanzi
MPCC Manager	Z. A. Zikode
Internal Audit Manager	S. Dlamini
<b>DESIGNATION</b>	<b>SURNAME &amp; INITIALS</b>
IDP/PMS Manager	S. S. Nene
Protection Service Manager	T. N. Langa
Finance Manager	T. E. Gambu
IT Manager	I.T. Makhubu
Manager Housing	M. E. Khumalo
PMU	S. C. Khumalo
HR Manager	Z. R. Makhaza
Senior Accountant	N. P. Ntuli
Accountant Expenditure and Reporting	N. P. Nene
Accountant Income	C. Priest
Accountant Assets	L. Khoza
Senior LED Officer	H. P. Ndaba
Senior Admin Officer	M. E. Mntambo
Internal Auditor	S. Xaba
SCM Officer	H. Nkosi
Housing Officer/ Building Inspector	A.P. Nkosi
Waste Management Officer	X. A. Kheswa
PMS Specialist	S. B. Ndlovu

Communication Officer	S. Asmal
Town Planner	M. L. Mlotshwa
Contract Management Officer	B. T. Maphalala
Superintendent: Testing & Licensing	B. Mabaya
<b>DESIGNATION</b>	<b>SURNAME &amp; INITIALS</b>
Superintendent: Disaster Management	F. E. A. Halgreen
P.A – to the Municipal Manager	N. S. V. Msibi

### **EFFECTS OF THE ANNUAL BUDGET (FINANCIAL AND SERVICE DELIVERY IMPLICATIONS)**

Okhahlamba Municipality is grant reliant since 80% of total revenue (operating and capital) is made up grants, this implies that the Municipality might not be able to provide service delivery as much as it would like considering the financial constraints, however the Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Okhahlamba has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

For Okhahlamba Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

The new Valuation Roll will be effective from 1 July 2017, however the municipality has received objections from property owners relating to market values which have increased.

The table below shows property rates budget:

Description				
	Budget Adjusted	2017/18	2018/19	2019/20
<b>R thousands</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>
Property rates	25,971	31,716	33,937	36,313
Property rates-penalties & collection charges	4,355	5,359	5,734	6,136

The tables below show Municipal tariffs:

#### PROPERTY RATES

Description	Tariff 2016/2017	TARIFF 2017/2018	Impermissible rebates	Additional rebates
Residential, Sectional Title Residential,	.00784	.00831	R124.65 p/a	20% sectional title residential R85,000 on m/v
Rural Residential, Residential Small Holding	.00784	.00831	R124.65 p/a	20% R85,000 on MV
Business & Commercial, Rural Business And Commercial	.00784	.00831	0	20% on application led development
Industrial	.00784	.00831	0	20% on application led development
Public Service Infrastructure	.00196	.00208	100%	
Agricultural And Agricultural Small Holding	.00196	.00208	0	20% 50% Disaster relief on application
Municipal	.00784	.00831	0	100%

Properties Non Leased Municipal Properties				
Municipal Properties Binded By Lease Agreement	.00784	.00831	0	20%
<b>Description</b>	<b>Tariff 2016/2017</b>	<b>TARIFF 2017/2018</b>	<b>Impermissible rebates</b>	<b>Additional rebates</b>
Privately Developed Estates	.00784	.00831	0	20%
Properties For Religious Use	.00784	.00831	0	100%
Vacant Land	.00784	.00831	0	
Rural Communal Land	.00784	.00831	0	100%
Education Facilities	.00784	.00831	0	
State Owned Properties	.00784	.00831	0	
Tourism And Hospitality Rural	.00784	.00831	0	20%
Tourism And Hospitality Urban	.00784	.00831	0	20%
State Services Property		.00831	0	
VACANT LAND (Residential)		.00831	0	No rebate
Vacant Land (Commercial)		.01038	0	No rebate

Tariffs increased by 6% from 2016/17 to 2017/18

#### REFUSE CHARGES

<b>Description</b>	<b>TARIFF 2016/2017 INCL VAT R'</b>	<b>TARIFF 2017/2018 INCL VAT R'</b>
Fixed monthly residential	97.55	103.40
Fixed monthly commercial	202.50	214.65
Dump site deliveries per load Idv and smaller	185.77	196.92
Garden refuse per load	185.77	196.92
Dump site deliveries per load Idv Idv and trailer	371.53	393.82
Dump site deliveries more than Idv and trailer	500.00	500.00

Tariffs increased by 6% from 2016/17 to 2017/18

#### INTEREST

<b>Description</b>	<b>TARIFF 2016/2017 INCL VAT R'</b>	<b>TARIFF 2017/2018 INCL VAT R'</b>
Interest on overdue rates and services	18%	18%

**TOTAL OPERATING REVENUE**

<b>Description</b>	<b>Budget Adjusted</b>	<b>2017/18 R' 000</b>	<b>2018/19 R' 000</b>	<b>2019/20 R' 000</b>
Total Revenue (excluding capital transfers and contributions)	171 741	171,038	161 000	168 926

The Municipality has the following allocations:

<b>Description</b>	<b>2017/18 R '000</b>	<b>2018/19 R '000</b>	<b>2019/20 R '000</b>
EQUITABLE SHARE	102,863	110,010	114,395
INTEGRETED NATIONAL ELECTRIFICATION PROGRAMME	13,000	-	-
FINANCE MANAGEMENT GRANT	1,900	1,900	1,900
EPWP	3,911	-	-
PROVINCIALISATION OF LIBRARIES	757	796	856
MUSEUM SUBSIDY	183	192	202
COMMUNITY LIBRARY SERVICES GRANT	212	223	230
COMMUNITY SERVICE CENTER	7,500	-	-
MIG	28 742	30,214	31,767

Operating Expenditure:

<b>Description</b>	<b>Budget Adjusted</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>R thousands</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>
Employee costs				

	55 980	60 513	64,749	69,282
Remuneration of councillors	9 192	9,198	9,842	10,531
Other expenditure	78 901	61,220	68,105	72,873

Employee related increased by 8.1%, which is due to the 7% increment applied for filled post with remainder of the increased being due to vacant post expected to be filled in 2017/2018. Salaries relating to outer years are expected to increase by 7% each year.

Remuneration of councillors increased by less than 1%, since the Municipality budgeted for actual cost approved in accordance with Government Gazette on Remuneration of Public Office Bearers Act: Determination of Upper Limits of salaries, Allowances and Benefits of different members of municipal council as advised in MFMA Circular No. 86.

The municipality implemented cost cutting measures on other expenditure, this is shown by 22% decrease in this line item. For breakdown of other expenditure please refer to Table SA1 in Annexure B.

## **PAST PERFORMANCE**

The budget does not have any impact of previous year audited results and annual report.

## **MUNICIPAL PRIORITIES AND LINKAGES TO THE IDP**

The Municipal IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2017/18 MTREF. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2017/18 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2016/17 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

### **KEY AMENDMENTS TO BUDGET RELATED POLICIES**

Tariff Policy is amended to incorporate the 6 % increase in Municipal tariff which is below CPI.

Supply Chain Management Policy is amended to accommodate radical economic transformation through Local Economic Development (SMMES and Co-ops) in order to eradicate poverty and unemployment.

## **ANNUAL BUDGET TABLES**

ANNEXURE A attached (Schedule A)

## **PART 2: SUPPORTING DOCUMENTS**

### **OVERVIEW OF ANNUAL BUDGET PROCESS**

Section 34 of the Municipal Systems states that: a municipal council-

- (a) Must review its integrated development plan—
  - (i) Annually in accordance with an assessment of its performance measurement in terms of section 4 i; and
  - (ii) to the extent that changing circumstances so demand; and
- (b) May amend its integrated development plan in accordance with a prescribed process.

### **ESTABLISHED INTERNAL STRUCTURE WITH ROLE PLAYERS AND RESPONSIBILITIES**

- a) OKHAHLAMBA MUNICIPAL COUNCIL



The Okhahlamba Municipal Council is formed by fourteen ward councillors and fourteen Party Representatives Councillors, the responsibility of the Council in the IDP Development is to:

- To adopt a process plan;
- Be responsible for the overall management and coordination of the planning process;
- Adopt and approve the final IDP; and
- Ensure that annual business plans, budget and related development activities are based on approved IDP.

#### b) OKHAHLAMBA EXECUTIVE COMMITTEE

The Executive Committee is formed by five Councillors and it is therefore responsible for:

- Managing the IDP development through the Municipal Manager;
- Ensure legislative compliance by recommending the IDP review process to the Council;
- Recommending the IDP revision and adoption to the Council;
- The Mayor, as an Executive Committee Chairperson is also responsible for chairing the IDP Representative Forum; and
- Allocate resources for reviewing the IDP.

#### c) IDP STEERING COMMITTEE

As part of the IDP Preparation Process, Council resolved to establish an IDP Steering Committee which is formed by all HOD's and other Senior Officials, their responsibility is to:

- -Prepare the IDP Review Process Plan;
- Identify resource people;
- Coordinate and manage the components of the planning process, including Stakeholders meetings, Meeting deadlines, Horizontal and Vertical alignment, Compliance with National and Provincial requirements;
- Provide terms of reference for all reviewing and planning activities;
- Commission IDP planning studies, programs and projects;
- Process, summarize and document outputs from subcommittees, teams, etc;
- Recommend amendments to the contents of the IDP;
- Prepare, facilitate and document meetings and workshops;
- Ensure alignment and participation in the determination and prioritization of plans and programs in the spirit of cooperative governance.

Section 16(1) of the Municipal Systems Act 2000 states that municipality must develop a culture of municipal governance that complements formal representation. This means that a municipality must create conditions for the local community to participate in its affairs, including the involvement of the community in the preparation, implementation and review of IDP's. Community based Planning (CBP) is considered the preferred form of participatory planning designed to promote community action and to link IDP as it provides a mechanism for entrenching participatory planning and management at ward level. To this effect, the

Department invested and rolled out a massive programme to introduce municipal officials to CBP. Community Based Planning will now form the basis at community involvement in the development of IDPs.

Four major functions can be aligned with the public participation process, namely:

- Needs identification;
- Identification of appropriateness of proposed solutions;
- Community ownership and buy-in; and
- Empowerment.

## **WARD COMMITTEES**

- Ward committees are utilised as communicating agents to the community;
- They were and continuously trained on IDP, BUDGET and PMS and also on the reporting style, further they seat on IDP Forums and participate in all strategic Workshops of the Municipality; and
- Provision of secretarial during IDP public meetings.

## **IDP REPRESENTATIVE FORUM**

This forum will represent all stakeholders and will be as inclusive as possible. Efforts will be made to bring additional organisations into the IDP RF and ensure their continued support and participation throughout the process.

## **ROAD SHOWS / PUBLIC HEARINGS**

- The venues of these meetings will be publicized at the IDP RF as well as through the media; - There are 08 sessions of Public Participation Meetings scheduled for the April of IDP/ Budget Road shows;
- For the maximum community participation the municipality will hold road shows in a cluster of 4 wards and the community will be transported to the road shows.

## **MEDIA**

Community radio stations will be utilised to make public announcements where necessary and depending on financial availability;

- Flyers-to be distributed in Public Facilities;
- Local Newspapers are commonly used to advertise dates and venues of meetings and other notices; and
- Word of mouth-we rely more on ward committees.
- Any persons that cannot read or write may come to the municipality to have their comments/ representations transcribed for them as contemplated in Section 17 of the MSA.

## **SCHEDULE OF KEY DEADLINES**

**CALENDAR A IDP REPRESENTATIVE FORUM**

DATE	VENUE	TIME
2nd QUARTER – OCTOBER 2016	MUNICIPAL COUNCIL CHAMBER	11H00
4th QUARTER – APRIL 2017	MUNICIPAL COUNCIL CHAMBER	11H00

**IDP/BUDGET ROAD SHOW**
**PROGRAMME – 2017-2018**

DATE	WARD	VENUE	TIME	DEPLOYMENT	RESOURCES
20/04/2017	1	Khethani Hall	10h00	Team 1 Pastor Dubazane, Pastor Zondo. G. Mohlakoana, M.E Khumalo, T. Makhubu, N.P Ntuli, Z.A Zikode, F.E.A Halgreen Constant: S.Asmal, M. Mlotshwa, S.S Nene, S.B Ndlovu, Public Participation, OSS	300Chairs, 3 Tables, 3 Table Cloths, 4 Toilets, Sound System ,Generator, 400x Community Catering and 50 water bottles
	2	Mamfemfetheni Hall	13:00		
21/04/2017	4	Tabhane Hall	10:00	Team 2 Pastor Mavimbela, Pastor Shabalala, S.B Ndabandaba, A. Nkosi, S.C Khumalo, L. Khoza, M.E Mntambo, Z. Motala Constant: S.Asmal, M. Mlotshwa, S.S Nene, S.B Ndlovu, Public Participation, OSS	300 Chairs, 3 Tables, 3 Table Cloths, 4 Toilets, Sound System,Generat or, 400x Community Catering and 50 water bottles
	5	Sandlwane Hall	13:00		
24/04/2017	3	Ngoba Hall	10:00	Team 2 Pastor Gwala,Pastor Kheswa, N. Malinga, T.E Gambu, B.S.X Ndlazi, S. Dlamini,	300 Chairs, 3 Tables, 3 Table Cloths, 4 Toilets, Sound System,
		Vimbukh	13:00		

		<i>alo Creche</i>	0	<i>H.P Ndaba, B.T Maphalala, C Priest Constant: S.Asmal, M. Mlotshwa, S.S Nene, S.B Ndlovu, Public Participation, OSS</i>	<i>Generator, 400 x Community Catering and 50 water bottles</i>
25/04/2017	8  9	<i>Eyethu Hall</i>  <i>Zwelisha Hall</i>	10:00  13:00	<i>Team 3 Pastor Maphalala, Pastor Mkwanazi, T.P Mazibuko, Y.P Joyi, T.N Langa, Z. Makhaza, H. Nkosi, N.P Nene, B. Mabuya Constant: S.Asmal, M. Mlotshwa, S.S Nene, S.B Ndlovu, Public Participation, OSS</i>	<i>300 Chairs, 3 Tables, 3 Table Cloths, 2 Toilets, Sound system, Generator, 400 x Community Catering and 50 water bottles</i>
26/04/2017	6  7	<i>Obonjane ni Hall</i>  <i>Nsukangihlale Hall</i>	10:00  13:00	<i>Team 4 Pastor Nkabinde, Pastor Langa G. Mohlakoana, M.E Khumalo, T. Makhubu, N.P Ntuli, Z.A Zikode, F.E.A Halgreen Constant: S.Asmal, M. Mlotshwa, S.S Nene, S.B Ndlovu, Public Participation, OSS</i>	<i>300 Chairs, 3 Tables, 3 Table Cloths, 2 Toilets, Sound System, Generator, 400 x Community Catering and 50 water bottles</i>
28/04/2017	10  12	<i>Rookdale Hall</i>  <i>Woodford Hall</i>	10:00  13:00	<i>Team 1 Pastor Caluza, Pastor Shabalala, S.B Ndabandaba, A. Nkosi, S.C Khumalo, L. Khoza, M.E Mntambo, Z. Motala Constant: S.Asmal, M. Mlotshwa, S.S Nene, S.B Ndlovu, Public Participation, OSS</i>	<i>300 Chairs, 3 Tables, 3 Table Cloths, 2 Toilets, Sound System, Generator, 400 x Community Catering and 50 water bottles</i>
02/05/2017	11  15	<i>Hambrook Community Hall</i>	10:00	<i>Team 2 Pastor Dludlu, Pastor Mvelase N. Malinga, T.E Gambu, B.S.X</i>	<i>300 Chairs, 3 Tables, 3 Table Cloths, 2 Toilets, Sound</i>

		<i>Bethany Community Hall</i>	<i>13:00</i>	<i>Ndlazi, S. Dlamini, H.P Ndaba, B.T Maphalala, C Priest Constant: S.Asmal, M. Mlotshwa, S.S Nene, S.B Ndlovu, Public Participation, OSS</i>	<i>system, Generator, 400 x Community Catering and 50 water bottles</i>
<i>03/05/2017</i>	<i>13</i>	<i>Greenpoint Hall</i>	<i>10:00</i>	<i>Team 3 T.P Mazibuko, Y.P Joyi, T.N Langa, Z. Makhaza, H. Nkosi, N.P Nene, B. Mabuya Constant: S.Asmal, M. Mlotshwa, S.S Nene, S.B Ndlovu, Public Participation, OSS</i>	<i>300 Chairs, 3 Tables, 3 Table Cloths, 2 Toilets, Sound System, Generator, 200 x Community Catering and 50 water bottles</i>

#### **RATEPAYERS MEETINGS AND STAKEHOLDER ENGAGEMENTS**

<b>DATE</b>	<b>STAKEHOLDER</b>	<b>TIME</b>	<b>VENUE</b>	<b>DEPLOYMENT</b>
05/05/2017	Cathkin Valley Ratepayers Association	17:00	To be confirmed.	ALL MANCO, PP
08/05/2017	Winterton Ratepayers Association	17:00	Khethani Community Hall	ALL MANCO, PP
09/05/2017	Farmers Association	14:30	OLM Council Chamber	ALL MANCO, PP
10/05/2017	Ratepayers Association	17:30	OLM Executive Boardroom	ALL MANCO, PP
11/05/2017	Amakhosi and Government Departments	10:00	OLM Council Chamber	MANCO, PP

## **OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP**

### **ALIGNMENT WITH STAKEHOLDERS**

#### **HORIZONTAL ALIGNMENT AND VERTICAL ALIGNMENT**

- **FRAMEWORK PLAN:** In terms of Chapter 5 Section 26 of the Municipal Systems Act (2000), Districts are required to prepare and adopt a framework plan which indicates how the District and Local Municipalities will align their IDP's;
- The Framework Plan provides the linkages and the binding relationship to be established between the District and the Locals in the region, therefore proper consultation, coordination and the alignment of the review process of the district municipality and family of municipalities can be maintained.
- **ALIGNMENT WITH SERVICE PROVIDERS:** The District and local municipality are responsible to ensure the alignment between the district and local planning through the District IDP Forum, Local IDP Forum and one on one meetings with sector departments and the family of municipalities in uThukela.

#### **ACCROSS BOARDER ALIGNMENT**

- In this IDP Review Process, the municipality will be aligning its development plans with the nearby municipalities on development corridors.

#### **TYPE OF ALIGNMENT MECHANISM**

##### **IDP REPRESENTATIVE FORUM**

- The IDP Representative Forum was established to align activities of different government departments with the plans of the local municipality. Such forum enables the municipality to integrate all programmes in the municipal IDP. And it also helps to involve all stakeholders at a planning stage in order to avoid the previously called "white elephants" projects.

##### **LED & TOURISM FORUM**

- Relevant government departments and other stakeholders seat in this forum to discuss matters concerning Local Economic Development.

## DISTRICT IDP FORUM

- The Local Municipality representatives and District Municipality seat on the District IDP Forum to align their programmes and or planning activities for that particular financial year

## MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

KZN235 Okhahlamba - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2017/18 Medium Term Revenue & Expenditure Framework
		Budget Year 2017/18
<b>Technical</b>		
Economic and environment services		
Project Management Unit		
	% spent	100.0%
<i>Achieve 100% spending on capital transfers</i>		
Solid Waste Removal		
	% of households with access	100.0%
<i>Households with access to solid waste disposal</i>		
Regional Planning and Development		
	% spent	100.0%
<i>Repairs and Maintenance of assets</i>		
Energy		
Electricity		
	% spent	100.0%
<i>Achieve 100% on electrification grants</i>		
Electricity		
	amount spent on fbe	100.0%
<i>access to free basic electricity</i>		
LED		
	no. of jobs created	321.0%
<i>Jobs created through capital projects</i>		
<b>Finance</b>		
Finance and Administration		
Finance		
	% collection	74.0%
<i>% of cash collected from customers against billing</i>		
Assets Management		
	number of fixed assets register updates	2.0%
<i>Update Fixed Assets Register</i>		
Finance		



% spent on capital budget	% spent	100.0%
Economic and Environment services	amount collected	100.0%
LED		
Enhance revenue collection operation of the licensing centre		
Finance	number of months	3.0%
Cost coverage ratio		
Finance	number of performance audit reports	4.0%
Performance audit reports		
Corporate	number of training provided	10.0%
Finance and administration		
Human Resource		
Provide Trainings		
Human Resource	% of target group employed	100.0%
Implementation of employment Equity Plan		
Sub-function 3 - (name)	number of signed performance agreements	5.0%
Sign Performance agreements		
Economic and Environment services	number of SMMEs and Co-ops	28.0%
LED		
SMMEs and Co-ops supported		
Police Forces, Traffic and Street Parking Control	Attendance Register	100.0%
Scholar Patrol		
Other Social	Number of Meetings	180.0%
Ward Committee Meetings		
And so on for the rest of the Votes		

## OVERVIEW OF BUDGET RELATED POLICIES

Following is a list of budget related policies:

- Credit Control and Debt Collection Policy
- Indigent Support Policy
- Property Rates Policy
- Tariff Policy
- Unallocated Revenue Policy
- Supply Chain Management Policy
- Budget Policy

The budget related policies can be obtained from the municipal offices, no: 259 Kingsway street, Bergville, 3350 and also on municipal website. [www.okhahlamba.org.za](http://www.okhahlamba.org.za).

Tariff Policy is amended to incorporate the 6 % increase in Municipal tariff which is below CPI.

Supply Chain Management Policy is amended to accommodate radical economic transformation through Local Economic Development (SMMES and Co-ops) in order to eradicate poverty and unemployment.

## OVERVIEW OF BUDGET ASSUMPTIONS

In the compilation of the 2017/18 MTREF, the following influencing factors were taken into account:

### PROPERTY RATES

Property rates tariff will be increased by 6 % less that CPI

New valuation roll will be implemented on the 01 July 2017

Property rates calculation and reconciliation will be submitted as supporting documents.

### REFUSE REMOVAL

Refuse removal tariff will be increased by 6% form (R97.55 to R103.40) for residential and (R202.5 to 214.65) for commercial which is then reduced by Khethani households' rebates which was previously incorrectly budgeted for as an expense.

### RENTAL OF FACILITIES

The municipality entered into a new lease, to lease out Fresh Produce centre:

Annual rentals = R26 000

Community halls figure was budgeted for using 2016/17 actual full year forecast

Actual as at 30th April 2017 = R 31 629.88/10\*12 =R 37 629.88

No increase is applied as per the tariff policy

## **FINES, PENALTIES AND FORFEITS**

### **Interest on overdue accounts**

Interest on overdue account remained unchanged at 18% in the tariff policy however an increase of 6.4% was applied in the 2017/2018 budget from 2016/2017 full year forecast.

Interest on outstanding debts: Actual April 2017= R 4 196 954/10\*12 = R 5 036 344.80

Apply 6.4% increase = R 5 358 670.86 budget.

### **Traffic Fines**

Traffic Fines = R 379 460 /10\*12 = R 455 352

Apply 6.4% = R 484 494.53

### **Library fines**

Library fines = 300/10\*12 = 360

No increase as specified in the tariff policy

## **LICENCES AND PERMITS**

The municipality expects the Licencing centre and testing centre to generate more revenue.

Learners Licence: actual April 2017= R 181 547.71/10\*12 = R 217 857.25

Apply 6.4% = R 231 800.11

Drivers Licence: R 1 112 070.65/10\*12= R 1 334 484.78

Apply 6.4% = R 1 419 891.80

Business Licence = (R 28 289.45 + R 1 315.79)/10\*12 = R 35 526.28

No increase as specified in the tariff policy

Rank Permits: R 13 192.64/10\*12= R 15 831.16

No increase as specified in the tariff policy

Building plans: R 262 575.78/10\*12 = R 315 018.93

Apply 6% as per the tariff policy = R 333 920.06

Burial fees: 11 548.68/10\*12 = R 13 858.41

Apply 6% as per the tariff policy =R 14 689.91

Subscription library: R244.35/10\*12= R 293.22

No increase as specified in the tariff policy

Valuation roll fees: R 3 157.90/10\*12= R 3 789.48

Apply 6% as per the tariff policy = R 4 016.84

Garden refuse:  $R\ 25\ 955.22/10 \times 12 = R\ 31\ 146.26$

Apply 6% as per the tariff policy = R 33 015.03

Rates Clearance certificate:  $R\ 19\ 517.67/10 \times 12 = R\ 23\ 421.20$

Apply 20% increase as per the tariff policy = R 28 105.44

Staff Parking = 21 parking bays \* 100/month \* 12 months

### **AGENCY SERVICES**

Agency services is budgeted for using 2016/2017 full year forecast

MLB commission:  $R\ 635\ 820.19/10 \times 12 = R\ 762\ 984.22$

Apply 6.4% = R 811 815.21

Commission tourism:  $R\ 20\ 762.35/10 \times 12 = R\ 24\ 914.82$

Apply 6.4% = R 26 509.36

### **Grants**

Grants and allocation were budgeted using Division of Revenue Bill 2017 and KwaZulu Natal Provincial Gazette - Transfer of Funds to Municipalities

### **OTHER REVENUE**

Other revenue is budgeted for using 2016/2017 full year forecast

Interest on current account:  $R\ 969\ 727.05/10 \times 12 = R\ 1\ 163\ 672.46$

Apply 6.4% = R 1 238 147.49

Fees photocopier:  $R\ 58\ 050.87/10 \times 12 = R\ 69\ 661.04$

No increase as specified in the tariff policy

Tender fees:  $R\ 202\ 282.02/10 \times 12 = R\ 242\ 738.42$

No increase as specified in the tariff policy

### **EXPENDITURE**

#### **Remuneration of Councillors**

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling Okhahlamba Local Municipality adjustment budget.

### **Employee related costs**

Okhahlamba staff benefits for the 2017/18 Budget is informed by the following:

Organogram with vacant posts expected to be filled within 2017/2018 Financial year

An increment of 7% was used from 2016/2017 adjustment salary benefits

Other benefits were budget using the following:

UIF = 1% of salary limit 148.72

SDL = 1% of Salary

Pension Fund = 30.51%

Provident fund maximum option = 18% salary

Salaries workings together with the organogram will be submitted as supporting documents.

### **Repairs and Maintenance:**

- The asset renewal strategy and the repairs and maintenance plan;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of no project plan no budget. If there is no business plan no funding allocation can be made

### **DEBT IMPAIRMENTS**

Debt impairment was budgeted for using 40% gross debtors balance since there municipality debtors' balance is increasing drastically over the years and the municipality only collects 70% as per the collection rate. This alone is an indication for impairments.

### **DEPRECIATION AND ASSETS IMPAIRMENTS**

The municipality ran depreciation report for 2017/18 financial year with assets already in the FAR and it amounted to R 17 425 744.80.

The municipality also made an additional provision for depreciation amounting to R 3 926 942.46 since it had the following:

Work in Progress as at 30 June 2016 = R 24 055 925.55

2016/17 Capital Budget = 71,709,000.00

2017/18 Capital Budget = 75,906,000.00

Further the municipality also provided for impairments of assets amounting to 2,529,717.98

#### Other Expenditure:

General expenditure were budgeted for using zero based budgeting where every department function is reviewed comprehensively and each expenditures must be approved, rather than increased.

It requires the budget request to be justified in complete detail by each department rather than just increasing its expenditure from the previous year

### **CASH FLOW**

#### Receipt

#### **Property rates**

The average collection rate for 2016/2017 is 70% therefore the property rate collection is budgeted for using 70% collection rate.

#### **Other revenue**

Other revenue are cash transaction except for traffic fines which are budgeted for at 70% collection from the figure in table A4.

#### **Payments**

All cash transactions (excluding depreciation and debt impairment) has been included with the assumption 100% of cash transactions will be paid including capital expenditure.

### **OVERVIEW OF BUDGET FUNDING**

Summary of the funding of operating and capital expenditure.

#### **Operating activities:**

Operating revenue = R 171 038 955

Operating Expenditure = R 170 405 824

Surplus = R 633 131

#### **Capital Activities:**

Capital revenue = R 75,906,000.00

Capital Expenditure = R 75,906,000.00

Capital expenditure is funded through:

Municipal Infrastructure grant = R 28 742 000.00

Surplus Cash	= R 6 864 000.00
Community Service Centre	= R 12 300 000
Loan to purchase plant	= R 20 000 000
Rural Development	= R 8 000 000

The loan to be raised will be all be used to purchase plant and machinery, this is because the plant that was purchased through a finance lease (to be fully settled during the budget year), have now aged since the municipality has a functional municipal maintenance (infrastructure and Buildings) section. The planned plant and machinery will help this section in fulfilling its objectives which is service delivery.

## EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

The tables below discloses expenditure on allocations and grant programmes:

Description	MUNICIPAL INFRASTRUCTURE GRANT
Allocation	28,742,000.00
<b>Planned Expenditure</b>	
Mnceleni	1,000,000.00
Bergville Tarred Road	6,000,000.00
Sports Complex	10,000,000.00
Makekeni Gravel Road	2,742,000
Vimbukhalo Community Hall	3,000,000
Vimbukhalo Community Hall	6,000,000
Total Expenditure	28,742,000.00
<b>Unspent (allocation less expenditure)</b>	-

Description	FINANCE MANAGEMENT GRANT
Allocation	1,900,000.00
<b>Planned Expenditure</b>	
Finance Interns Salaries	700,000.00
Quality Assurance and support	500,000.00
Municipal Standard Chart of Account	700,000.00
Total Expenditure	1,900,000.00
<b>Unspent (allocation less expenditure)</b>	-

Description	EXPANDED PUBLIC WORKS PROGRAMME
Allocation	3,911,000.00
<b>Planned Expenditure</b>	
Salaries	3,911,000.00
Total Expenditure	3,911,000.00
<b>Unspent (allocation less expenditure)</b>	-

Description	PROVINCIALISATION OF LIBRARIES
Allocation	757,000.00
<b>Planned Expenditure</b>	
Salaries	757,000.00
Total Expenditure	757,000.00
<b>Unspent (allocation less expenditure)</b>	-

Description	MUSEUM SUBSIDY
Allocation	183,000.00
<b>Planned Expenditure</b>	
Salaries	183,000.00
Total Expenditure	183,000.00
<b>Unspent (allocation less expenditure)</b>	-

Description	CYBER CADETS SUBSIDY
Allocation	212,000.00
<b>Planned Expenditure</b>	
Salaries	212,000.00
Total Expenditure	212,000.00
<b>Unspent (allocation less expenditure)</b>	-

Description	COMMUNITY SERVICE CENTER
Allocation	12,300,000.00
<b>Planned Expenditure</b>	
Community Service Centre	12,300,000.00
Total Expenditure	12,300,000.00
<b>Unspent (allocation less expenditure)</b>	-

Description	INTEGRETED NATIONAL ELECTRIFICATION PROGRAMME
Allocation	13,000,000.00
<b>Planned Expenditure</b>	
Woodford infills, Lungelani, Kwaskhindi electr	1,927,386.63
Ward 09 infills Langkloof, estebhisini electr	2,000,048.45
Entabeni, Varikop	1,616,926.10
Engoba & Emhlwazini	2,553,159.18
Kthethani	1,806,304.61
Emmause	3,096,175.03
Total Expenditure	13,000,000.00
<b>Unspent (allocation less expenditure)</b>	-



Description	RURAL DEVELOPMENT GRANT
Allocation	8,000,000.00
<b>Planned Expenditure</b>	
<b>Sports Complex</b>	8,000,000.00
Total Expenditure	8,000,000.00
<b>Unspent (allocation less expenditure)</b>	<b>-</b>

#### ALLOCATIONS OR GRANT MADE BY THE MUNICIPALITY

Municipality will not make any allocation or grant to other municipalities or any other organ of state.

#### COUNCILLORS AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

Summary of councillors allowances:

	2017/18 MTREF		
Description	BUDGET YEAR 2017/18	BUDGET YEAR 2018/19	BUDGET YEAR 2019/20
201 Salaries	8,445,921.00	9,037,135.47	9,669,734.95
214 Allowance Cell phone	661,200.00	707,484.00	757,007.88
234 Skills Levy	91,071.21	97,446.19	104,267.43
<b>TOTAL</b>	<b>9,198,192.21</b>	<b>9,842,065.66</b>	<b>10,531,010.26</b>

#### Summary of employee benefits for the municipal manager senior managers

SALARY	MUNICIPAL MANAGER	CHIEF FINANCE OFFICER	DIRECTOR CORPORATE	DIRECTOR TECHNICAL	DIRECTOR SOCIAL	TOTAL
SALARY	913,875.32	591,691.08	668,416.50	535,708.81	638,076.87	3,347,768.58
TRAVEL	180,000.00	216,000.00	168,000.00	192,000.00	168,000.00	924,000.00
HOUSING		90,000.00		142,856.52	120,000.00	352,856.52
UIF	1,784.64	1,784.64	1,784.64	1,784.64	1,784.64	8,923.20
SDL	10,250.03	7,228.10	7,496.96	6,544.22	7,794.75	39,314.05
SALGBC	92.16	92.16	92.16	92.16	92.16	460.80
Performance Bonus	197,765.23	117,578.91	109,886.83	117,578.91	117,486.00	660,295.88
	<b>1,303,767.37</b>	<b>1,024,374.89</b>	<b>955,677.09</b>	<b>996,565.26</b>	<b>1,053,234.41</b>	<b>5,333,619.02</b>

**Summary of employee benefits for other municipal employees:**

<b>Description</b>	<b>BUDGET YEAR 2017/18</b>	<b>BUDGET YEAR 2018/19</b>	<b>BUDGET YEAR 2019/20</b>
201 Salaries	37,226,334.48	39,832,177.90	42,620,430.35
203 Bonus	3,373,475.26	3,609,618.52	3,862,291.82
000 performance Bonus	0.00	0.00	0.00
205 Overtime	1,321,667.34	1,414,184.05	1,513,176.94
207 Allowance Housing	213,696.00	228,654.72	244,660.55
209 Allowance Standby	122,275.32	130,834.59	139,993.01
211 Allowance Transport	2,059,918.80	2,204,113.12	2,358,401.03
213 Post retirement benefits	104,673.63	112,000.78	119,840.84
220 Pension Fund	4,418,244.75	4,727,521.88	5,058,448.41
221 Provident Fund	2,325,458.48	2,488,240.57	2,662,417.41
222 Medical Aid	1,421,303.40	1,520,794.64	1,627,250.26
000 Interest Cost: Post Employment Benefits	24,914.82	26,658.86	28,524.98
226 UIF	288,540.72	308,738.57	330,350.27
231 Bargaining Council	17,233.92	18,440.29	19,731.12
234 Skills Levy	442,758.91	473,752.04	506,914.68

<b>Description</b>	<b>BUDGET YEAR 2017/18</b>	<b>BUDGET YEAR 2018/19</b>	<b>BUDGET YEAR 2019/20</b>
248 Leave Pay	1,126,297.02	1,205,137.81	1,289,497.46
291 Long Service Awards	233,798.89	250,164.81	267,676.35
236 Inservice Trainees	459,000.00	491,130.00	525,509.10
<b>TOTAL</b>	<b>55,179,591.74</b>	<b>59,042,163.16</b>	<b>63,175,114.58</b>

Detail of the cost to the municipality for each political office-bearer:

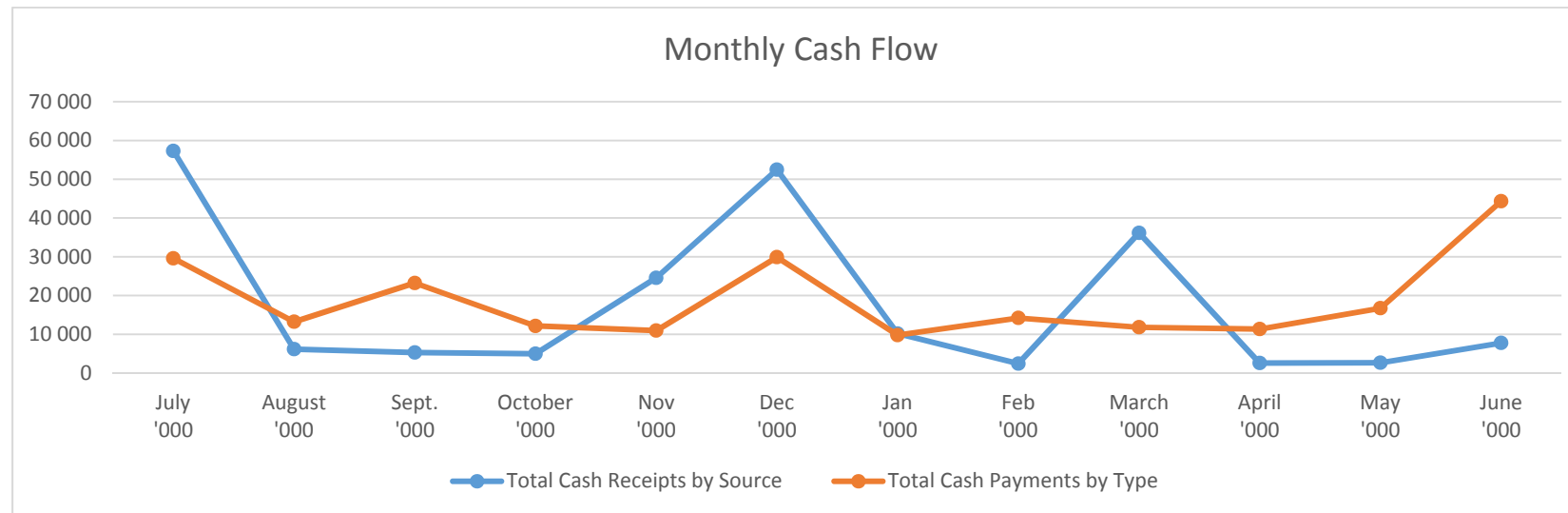
<b>SURNAME</b>	<b>INITIALS</b>	<b>SALARY</b>	<b>CELL PHONE</b>	<b>COMPANY CONTRIBUTIONS SDL</b>
VILAKAZI	MP	R 25,412.08	R 1,900.00	R 273.12
HADEBE	KI	R 26,180.67	R 1,900.00	R 280.81
SIMELANE	K	R 19,801.67	R 1,900.00	R 217.02
MFUPHI	PAM	R 19,801.67	R 1,900.00	R 217.02
BUTHELEZI	FE	R 19,801.67	R 1,900.00	R 217.02
HADEBE	SC	R 19,801.67	R 1,900.00	R 217.02
HADEBE	MJ	R 19,801.67	R 1,900.00	R 217.02
DLAMINI	BM	R 26,180.67	R 1,900.00	R 280.81
MSIMANGA	MH	R 19,801.67	R 1,900.00	R 217.02
KHOZA	ZS	R 19,801.67	R 1,900.00	R 217.02
MLAMBO	SP	R 19,801.67	R 1,900.00	R 217.02
ZULU	SA	R 50,534.17	R 1,900.00	R 524.34
DLADLA	KS	R 19,801.67	R 1,900.00	R 217.02
SIGUBUDU	PP	R 19,801.67	R 1,900.00	R 217.02
NGOZO	TG	R 50,534.17	R 1,900.00	R 524.34
VILAKAZI	MMS	R 19,801.67	R 1,900.00	R 217.02
SIGUBUDU	TA	R 26,180.67	R 1,900.00	R 280.81
MKHIZE	BP	R 19,801.67	R 1,900.00	R 217.02
NDLANGISA	MG	R 63,167.67	R 1,900.00	R 650.68
MDAKANE	NA	R 19,801.67	R 1,900.00	R 217.02
DLAMINI	MI	R 19,801.67	R 1,900.00	R 217.02
NDIMAMDE	S	R 19,801.67	R 1,900.00	R 217.02
JANSE VAN RENSBERG	TD	R 19,801.67	R 1,900.00	R 217.02
BUTHELEZI	MI	R 19,801.67	R 1,900.00	R 217.02
LANGA	K	R 19,801.67	R 1,900.00	R 217.02
HLONGWANE	SM	R 19,801.67	R 1,900.00	R 217.02
BUTHELEZI	SM	R 19,801.67	R 1,900.00	R 217.02
NQUBUKA	JE	R 19,801.67	R 1,900.00	R 217.02

BENGU	ENN	R 19,801.67	R 1,900.00	R 217.02
		<b><u>R 8,445,921.00</u></b>	<b><u>R 661,200.00</u></b>	<b><u>R 91,071.21</u></b>

## MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW (REFER TO TABLE SA30 ANNEXURE A)

R thousand	July '000	August '000	Sept. '000	October '000	Nov '000	Dec '000	Jan '000	Feb '000	March '000	April '000	May '000	June '000	Budget Year 2017/18
Total Cash Receipts by Source	57,304	6,146	5,278	4,964	24,560	52,467	10,177	2,421	36,158	2,572	2,642	7,752	212,440
Total Cash Payments by Type	29,587	13,226	23,226	12,133	10,938	29,892	9,780	14,195	11,803	11,331	16,714	44,336	227,162



## ANNUAL BUDGET AND SDBIP – INTERNAL DEPARTMENTS

Internal Department annual budget and SDBIP attached (Annexure B)

## CONTRACT HAVING FUTURE BUDGETARY IMPLICATIONS

### CONTRACT HAVING FUTURE BUDGETARY IMPLICATIONS

Description	Budget Year 2017/18	Budget Year 1 2018/19	Budget Year 2 2019/20	Forecast 2020/21	Forecast 2021/22	Total Contract Value
Parent Municipality:						
Expenditure Obligation By Contract						
preparation of valuation roll	2,000,000.00	199,044.00	113,460.00	127,140.00	140,820.00	2,580,464.00

The above relates to the preparation and implementation roll for property rates charges from 01/07/2017 to 30/06/2022. Contracts attached.

The municipality will raise a loan to fund the acquisition of plant and machinery. At this stage there is not enough information on this matter since the tender is not yet issued.

## CAPITAL EXPENDITURE DETAILS

Summary of budgeted capital expenditure by class and subclass:

Municipal Vote/Capital project	Program/Project description	Asset Class	2017/18
council	Office Furniture/ Councillors Laptops	Furniture and Office Equipment	464,000.00
Finance	Financial System (Mscoa)	Intangible Assets	1,500,000.00
Technical	Mnceleni	Infrastructure	1,000,000.00
Technical	Bergville Tarred Road	Infrastructure	6,000,000.00
Technical	Sports Complex	Community Assets	18,000,000.00
Technical	High Mast	Infrastructure	1,500,000.00
Technical	Early Childhood	Community Assets	2,500,000.00
Technical	Fresh Produce	Community Assets	900,000.00
Technical	Community Service Centre	Community Assets	12,300,000.00
Technical	Plant From Loan	Transport Assets	20,000,000.00
<b>Municipal</b>	<b>Program/Project description</b>	<b>Asset Class</b>	<b>2017/18</b>

<b>Vote/Capital project</b>			
Technical	Makakeni Gravel Road	Infrastructure	2,742,000.00
Technical	Vimbukhalo Community Hall	Community Assets	3,000,000.00
Technical	Gelukzburg Community Hall & Creche	Community Assets	6,000,000.00
			<b>75,906,000.00</b>

#### **LEGISLATION COMPLIANCE STATUS**

The municipality received a clean audit in 2015/2016 which implies the municipality complies with applicable legislation and does not foresee any non-compliance issues in the near future.

#### **OTHER SUPPORTING DOCUMENTS**

ANNEXURE C attached: Depreciation calculations

ANNEXURE D attached: Salaries workings and organogram

ANNEXURE E attached: Property rates and valuation roll

ANNEXURE F attached: Responses to PT comments on Draft Budget

ANNEXURE G attached: Contracts having future budgetary implications

## QUALITY CERTIFICATE

I, **Siza Sibande**, Municipal Manager of Okhahlamba Municipality hereby certify that the **Final Budget and supporting documentation** have been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act, and that the Final budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: **Siza Sibande**, Municipal Manager of **Okhahlamba Local Municipality (KZN 235)**

Signature.....

Date.....